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8
9 **UNITED STATES BANKRUPTCY COURT**
NORTHERN DISTRICT OF CALIFORNIA
10 **SAN FRANCISCO DIVISION**

11
12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
20 ☒ Affects both Debtors

21 ** All papers shall be filed in the Lead Case, No.*
22 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' ONE
HUNDRED FOURTH OMNIBUS
OBJECTION TO CLAIMS (ADR NO
LIABILITY CLAIMS)**

Response Deadline:
October 5, 2021, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: October 19, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Tele/Videoconference Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, the “**Debtors**” or as reorganized pursuant to the Plan (as
6 defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**
7 **Cases**”) hereby submit this One Hundred Fourth Omnibus Objection (the “**Objection**”) to the Proofs of
8 Claim (as defined below) identified in the column headed “Claims To Be Disallowed and Expunged” on
9 **Exhibit 1** annexed hereto.

10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy**
18 **Rules**”).

19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
21 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
22 Debtors continued to operate their businesses and manage their properties as debtors in possession
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
24 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural
25 purposes only pursuant to Bankruptcy Rule 1015(b).

26 Additional information regarding the circumstances leading to the commencement of the
27 Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in
28 the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief*
[Docket No. 263].

On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a), Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and priority claims, against either of the Debtors as October 21, 2019, at 5:00 p.m. Pacific Time (the “**Bar Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be further modified, amended or supplemented from time to time, and together with any exhibits or schedules thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective Date**”). See Dkt. No. 8252.

III. RELIEF REQUESTED

The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code, Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, the *Order Approving (A) Procedures for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”), and the *Order Approving ADR and Related Procedures for Resolving General Claims*, dated September 25, 2020 [Docket No. 9148] (the “**ADR Procedures Order**”), seeking entry of an order

¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 disallowing and expunging the Proofs of Claim identified on **Exhibit 1** hereto, in the columns headed
2 “Claims To Be Disallowed and Expunged” (the “**ADR No Liability Claims**”).

3 The holders of the ADR No Liability Claims have “fail[ed] to comply with the General ADR
4 Procedures, negotiate in good faith, or cooperate as may be necessary to effectuate the General ADR
5 Procedures,” and thus do not meet the requirements of Section IV.E of the ADR Procedures Order, in
6 one of two ways:

7 (1) No Response to Information Request. The Reorganized Debtors sent each of these
8 Claimants an Information Request Form in accordance with the General Claims Information Procedures,
9 in order to acquire certain limited and targeted information necessary to allow the Reorganized Debtors
10 to evaluate the Claims for potential resolution.² In accordance with the ADR Procedures Order, the
11 Information Request Form was required to be returned by no later than twenty-eight (28) days after the
12 mailing (whether by email or standard mail) (the “**Information Deadline**”). In the event a Claimant
13 failed to return the Information Request Form by the Information Deadline, the Reorganized Debtors
14 sent such Claimant an information reminder (the “**Information Reminder**”). The Information
15 Reminder provided the Claimant with an additional fourteen (14) days from the date the Information
16 Reminder was sent to return the Information Request Form (the “**Reminder Deadline**”). The
17 Reorganized Debtors did not receive any responses by the Information Deadline or the Reminder
18 Deadline with respect to any of the Claims identified on **Exhibit 1** hereto. Because the Claimants did
19 not respond to the Information Request Form, the Reorganized Debtors were unable to determine any
20 basis for liability on these Claims.

21 (2) No Response to Offer Exchange. The Reorganized Debtors sent each of these Claimants
22 a Settlement Offer pursuant to the Offer Procedures. In accordance with the ADR Procedures Order, the
23 response to the Settlement Offer must be received by the Reorganized Debtors no later than twenty-one

24 _____
25 ² The first two Claims on **Exhibit 1** were filed by a claimant who filed three identical Proofs of Claim.
26 One of those Proofs of Claim was previously objected to on this same basis and disallowed and expunged
27 pursuant to the *Order Disallowing and Expunging Proofs of Claim Pursuant to Reorganized Debtors’*
28 *Sixty-Sixth Omnibus Objection to Claims (ADR No Liability Claims)* entered on April 5, 2021 [Docket
No. 10496]. The claimant’s two remaining Proofs of Claim are identical to the disallowed Proof of
Claim, and the Reorganized Debtors request that they be disallowed and expunged on the basis of the
claimant’s failure to respond to the Information Request Form.

(21) days after the mailing of the Offer Notice (the “**Settlement Response Deadline**”). In the event a Claimant failed to return the Settlement Offer Response Form by the Settlement Response Deadline, the Reorganized Debtors sent such Claimant an offer reminder (the “**Offer Notice Reminder**”). The Offer Notice Reminder provided the Claimant with an additional fourteen (14) days from the date the Offer Notice Reminder was sent to return the Settlement Offer Response Form (the “**Offer Reminder Deadline**”). The Reorganized Debtors did not receive any responses, either through acceptance or counteroffer, by the Offer Reminder Deadline to any of the Claims identified on **Exhibit 1** hereto.

IV. ARGUMENT

A. The ADR No Liability Claims Should be Disallowed and Expunged

The Omnibus Objections Procedures Order supplemented Bankruptcy Rule 3007(d) to permit the Reorganized Debtors to file objections to more than one claim if “[t]he claims seek recovery of amounts for which the Debtors are not liable.” Omnibus Objections Procedures Order, ¶ 2(C)(iii). Bankruptcy Rule 3007(e) requires that an omnibus objection must list the claimants alphabetically and by cross-reference to claim numbers. The Reorganized Debtors are not liable for the ADR No Liability Claims identified on **Exhibit 1** because the respective holders failed to comply with the ADR Procedures.

Each of the Claimants is listed alphabetically, and the claim number and amount are identified in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of the ADR No Liability Claims.

B. The Claimants Bear the Burden of Proof

A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a).³ Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under

³ Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the Reorganized Debtors to bring objections to Claims initially was extended through and including June 26, 2021 (except for Claims of the United States, which deadline was extended to March 31, 2021) [Docket No. 9563]. That deadline has been further extended through December 23, 2021, except for Claims of the California Department of Forestry and Fire Protection, which deadline was extended to September 30, 2021, without prejudice to the right of the Reorganized Debtors to seek further extensions thereof [Docket No. 10494]. The deadline with respect to Claims of the United States have twice been further extended by stipulation and order [Docket Nos. 10459, 10463, 10983, and 10986].

any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,” *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage (In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir. 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039 (9th Cir. 2000); *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993); *In re Fidelity Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

As set forth above, the Reorganized Debtors submit that the ADR No Liability Claims do not represent a current right to payment and, therefore, should be disallowed and expunged in their entirety. If any Claimant believes that an ADR No Liability Claim is valid, it must present affirmative evidence demonstrating the validity of that claim.

V. RESERVATION OF RIGHTS

The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein, or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to this Objection. A separate notice and hearing will be scheduled for any such objections. Should the grounds of objection specified herein be overruled, wholly or in part, the Reorganized Debtors reserve the right to object to the ADR No Liability Claims on any other grounds that the Reorganized Debtors may discover or deem appropriate.

VI. NOTICE

Notice of this Objection will be provided to (i) holders of the ADR No Liability Claims; (ii) the Office of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.);

1 (iii) all counsel and parties receiving electronic notice through the Court's electronic case filing system;
2 and (iv) those persons who have formally appeared in these Chapter 11 Cases and requested service
3 pursuant to Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice
4 is required. No previous request for the relief sought herein has been made by the Reorganized Debtors
5 to this or any other Court.

6 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
7 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
8 best interests of their estates, creditors, shareholders, and all other parties' interests, and (ii) such other
9 and further relief as the Court may deem just and appropriate.

10 Dated: September 9, 2021

KELLER BENVENUTTI KIM LLP

11 By: /s/ Thomas B. Rupp
12 Thomas B. Rupp

13 *Attorneys for Debtors and Reorganized Debtors*
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